

CITY OF DAVIS
2023-2024 HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION

PART ONE:

Organization Name: Mercy Housing California (MHC)

Name: Beckie Flores Title: Project Developer Phone: (916) 414-4425

Mailing Address: 2512 River Plaza Drive, Suite 200, Sacramento, CA 95833

Email Address: Beckie.flores@mercyhousing.org

PART TWO:

Proposed Project Location: Bretton Woods Senior Apartments Phase I - 39660 West Covell Blvd, Davis CA 95616

Total Proposal Request: \$460,000 Minimum Request: \$450,000

Is the applicant claiming status as a Non-Profit Community Housing Development Organization (CHDO)? (Applicants will be required to provide qualifying documentation)

 Yes X No

HOME Eligible Activities Category: Rental Housing Development

Low Income Benefit: 26 units @ 30% AMI
25 units @ 50% AMI
23 units @ 60% AMI
1 manager unit

City Council Identified Critical Needs: (See List C)

- 1) Serve clients who are ELI/VLI.
- 2) Leverage funds from the community or other private sources.
- 3) Benefit clients who are not currently served or are under-served.

Beneficiary Information:

<u>75 units</u>	Total number of unduplicated beneficiaries in proposed project
<u>3 units</u>	Number of unduplicated beneficiaries in proposed project to be served with HOME funds
<u>100%</u>	Percentage of the HOME beneficiaries with low income
<u>\$153,333/unit</u>	Cost (\$) per HOME beneficiary (HOME Request/HOME Beneficiaries)

PART THREE: Scope of Proposal

a. Need/Target Group (Describe the need for the activity and the group being served)

The City of Davis recognizes the critical shortage of affordable housing and the effects that higher housing costs have had on its residents. According to the City's Housing Element, 31.5% of owner-occupied households and 47.4% of renter households experience severe cost burden which is defined as a household paying more than 50% of gross income for housing costs. The Housing Element also points out that Davis households in the lowest income brackets are more likely to experience severe cost burdens compared to their higher income counterparts, wherein 73% of households earning less than 80% of Area Median Income (AMI) are cost burdened, compared to 33% of households earning 80 to 120% of AMI and 23% of households earning greater than 120 percent of AMI. To address this, the City has established the goal of providing an adequate supply of housing for people of all ages, incomes, lifestyles, and types of households, as well as providing housing that is affordable for lower-income households. The construction of the Bretton Woods Senior Apartments is consistent with these goals and would increase the supply of permanent affordable housing for seniors ages 55 and older. Phase I of the development would add 75 units to the City's existing inventory of over 1,900 deed-restricted affordable housing units, and another 75 units would be added in Phase II. 100% of the units would be affordable to low-income households earning at or below 60% AMI.

b. Project Description/Benefit (Activity Summary: Describe the activities of the proposed budget and benefit)

The City of Davis 2023-2024 HOME funds would be used for construction of the Bretton Woods Senior Apartments to be located at 39660 West Covell Boulevard in the city of Davis. The project is a proposed 150-unit affordable senior community that would be developed in two phases with Phase I consisting of one 75-unit four-story building located on the eastern portion of the parcel as well as community center, and Phase II consisting of the remaining 75-unit four-story building located on the western portion of the parcel. The project will also consist of all-electric buildings in our effort to develop sustainable methods in line with local environmental standards.

The 5.64-acre site is part of a 70-acre 500+ home master planned 55+ senior community approved by the voters of Davis in 2018 and fulfills the affordability obligations of the master development negotiated with the City. The proposed project will support the City's affordable housing requirements and will provide 150 residential units with a combination of studios, 1, and 2-bedroom units.

HOME funds would be leveraged with over \$37,000,000 in both private and other public funds including the following: HCD Multifamily Housing Program (MHP), City of Davis CDBG Entitlement and HOME Investment Partnerships Program funds, other local funds including Permanent Local Housing Allocation, HOME PI, and HOME American Rescue Plan funds, land contribution, Section 8 Project Based Vouchers and 4% Low Income Housing Tax Credits. Projected costs are updated regularly and multiple cost estimates are obtained in order to ensure cost reasonableness. The proposed project will address the City Council's critical needs by providing 68% of units for low-income and extremely low-income households. The project will also utilize other private and public funds as leverage and is considering setting aside a portion of the units for specialize needs residents who are typically underserved.

c. Outreach (Describe the outreach your organization will provide for the HOME-funded project, as well as provide a list of the languages currently included in your organizational outreach)

Bretton Woods Senior Apartments is part of the former West Davis Active Adult Community (WDAAC) development project (now “Bretton Woods”) that was subject to multiple public meetings and input from the community. Davis voters supported the WDAAC development as it received voter approval in 2018. The proposed Bretton Woods Senior Apartments project will fulfill the affordability obligations of the master development agreement negotiated with the City of Davis. MHC continues to engage with community partners for active feedback and guidance on the senior housing development and are proposing a phased approach to ensure strategic and sustainable selection of local Davis residents most in need of affordable housing. MHC’s advertising follows Affirmative Fair Housing Marketing standards.

d. Organizational Capacity (Summarize your organizational capacity for the proposed project)

Mercy Housing California (MHC) is one of the largest affordable housing developers in the State of California in terms of staff, capacity, annual budget, and units constructed. MHC is also a leader in an integrated, mission-based approach that couples the delivery of customized resident and community service enrichments with quality development, management, and maintenance to create healthy communities. Mercy Housing has projects across California in urban, suburban, and rural locations. Many of these properties were the result of strong affordable housing expertise, commitment and perseverance to combine unique financing sources to create innovative housing models as well as thoughtful community engagement strategies. Mercy’s most senior housing development staff have over 80 combined years of affordable housing development experience.

MHC’s development generally can be categorized as serving Family, Senior, and/or Special Needs residents, the latter often meaning formerly homeless and/or disabled individuals or families. More and more, developments are mixed income and mixed population, meaning that residents with a wide variety of income are often incorporated, and special needs residents are often integrated into more traditional family and senior developments to create holistic communities that serve the needs of all residents better than each could be served alone.

MHC currently owns and operates 10,168 homes across over 152 affordable communities. Of those, 32% are senior units. As a part of Mercy Housing Inc, one of the nation’s largest affordable housing developers, MHC provides experienced and mission-driven services. Residents will be supported by the Resident Services department, and property management through Mercy Housing Management Group, which has been serving families for over 35 years. The MHC Sacramento office opened in 2000 and remains one of the most active multifamily developers in the Sacramento region. MHC maintains strong relationships across the real estate development industry. MHC’s long history of successfully developing and managing affordable housing, providing enriching on-site services, and development experience makes MHC a uniquely qualified partner with the City of Davis to develop affordable housing.

e. Partnerships and Other Resources (List other agencies you collaborate with and indicate whether or not your proposed project is duplicative of other projects operated by local public or non-profit organizations)

MHC was selected for the development of the proposed senior housing project by the master development. On-site resident services at MHC are enriched with collaborations with local partners who can provide services. Providing and facilitating resident services is a critical part of Mercy Housing’s mission. Our goal for resident services programs is to provide housing stability. The property is adjacent to two existing healthcare partners of Mercy Housing – Sutter Health and Communicare. Mercy Housing believes partnerships and programs improve the economic status of residents and provide stability, and we look forward to identifying and collaborating with some of Davis’ many dedicated local partners to provide services to residents when the site is in operation. MHC will continue to explore other potential sources of funding for the proposed project.

PERFORMANCE MEASUREMENTS AND SCHEDULE

ACTIVITY (What the program does to fulfill its mission)	INDICATOR (The direct products of program activities) SERVICE #s	OUTCOME (Benefits that result from the program)	COMPLETION DATE (When the specific task is completed)
Construction of a 75-unit apartment complex restricted to seniors making $\leq 60\%$ AMI	Completion of 75 affordable housing units for low-income seniors	Increased supply of affordable housing units in the City of Davis.	Estimated Expenditure Date – January, 2025 Estimated Completion Date - March, 2026

CITY OF DAVIS
CAPITAL PROJECT BUDGET SUMMARY*
BRETTON WOODS DAVIS SENIOR
Program Year 2023-2024

Budget Category	CDBG/HOME Portion				Other Funds For Project (Non-CDBG/HOME)							Totals
	Salaries & Wages	Fringe Benefits (N/A)	Total Salary + Fringe	Direct Project Related Costs	Other Federal Funds	State Funds (MHP)	Local Funds (Other)	Private Funds (Land Donation)	Other (Deferred Developer Fee)	Other (GP Equity)	Other (Tax Credit Equity)	
Land Cost/Acquisition												
Land Cost or Value			0.00					3,593,700.00				\$3,593,700.00
Environmental Remediation			0.00								10,000.00	\$10,000.00
Legal & Closing Costs			0.00								10,000.00	\$10,000.00
Off-Site Improvements			0.00	50,000.00								\$50,000.00
Architectural Fees												
Design			0.00								1,259,951.00	\$1,259,951.00
Engineer Fees			0.00								75,000.00	\$75,000.00
Construction Interest & Fees												
Construction Loan Interest			0.00								2,468,652.00	\$2,468,652.00
Construction Loan Fee & Exp			0.00								264,436.00	\$264,436.00
Taxes			0.00								98,010.00	\$98,010.00
Insurance			0.00								111,555.00	\$111,555.00
Title and Recording			0.00								60,000.00	\$60,000.00
Permanent Financing												
Title and Recording			0.00			15,000.00						\$15,000.00
Legal			0.00			15,000.00						\$15,000.00
Cost of Bond Issuance			0.00			291,151.00						\$291,151.00
Legal Fees												
Owner Legal			0.00			50,000.00						\$50,000.00
Reserves												
Capitalized Operating Reserve			0.00			188,491.00						\$188,491.00
Transition Reserve			0.00			201,972.00						\$201,972.00
Other												
Appraisal			0.00								15,000.00	\$15,000.00
Owner's Construction Contingency			0.00								2,115,669.00	\$2,115,669.00
TCAC App/Alloc/Monitoring Fees			0.00								49,092.00	\$49,092.00
Const. Management & Testing			0.00								120,000.00	\$120,000.00
Local Dev Impact Fees, Utilities			0.00				293,780.00				810,561.00	\$1,104,341.00
Permit Processing Fees			0.00								375,000.00	\$375,000.00
Market Study			0.00								10,000.00	\$10,000.00
Marketing & Lease Up			0.00								112,500.00	\$112,500.00
Environmental			0.00								5,000.00	\$5,000.00
Furnishings			0.00								125,000.00	\$125,000.00
Prevailing Wage Monitoring			0.00								45,000.00	\$45,000.00
Soft Cost Contingency			0.00								335,000.00	\$335,000.00
Developer Costs												
Developer Overhead/Profit			0.00						900,000.00	400,000.00	2,200,000.00	\$3,500,000.00
New Construction												
Site Work and Utilities			0.00	950,000.00			1,206,220.00					\$2,156,220.00
Structures			0.00			14,848,450.00					1,699,965.00	\$16,548,415.00
General Requirements			0.00								1,122,278.00	\$1,122,278.00
Contractor Insurance & Bond			0.00								157,494.00	\$157,494.00
Contractor Overhead & Profit			0.00								1,122,278.00	\$1,122,278.00
Syndication Costs												
Legal - Syndication			0.00								55,000.00	\$55,000.00
Audit			0.00								15,000.00	\$15,000.00
Consultant - Syndication			0.00								62,000.00	\$62,000.00
TOTAL PROJECT BUDGET	\$0.00	\$0.00	\$0.00	\$1,000,000.00	\$0.00	\$15,610,064.00	\$1,500,000.00	\$3,593,700.00	\$900,000.00	\$400,000.00	\$14,909,441.00	\$37,913,205.00

* Please revise this form and annotate budget items as needed

All applicants are requested to submit a copy of their organization's Operating Budget.

Documentation of Professional Services and Soft Costs:

The amounts indicated for professional services and soft costs in the above budget are based on estimates received from multiple vendors for over 30+ projects in the development pipeline for the Sacramento MHC office. These estimates are also compared to actual expenses for MHC properties in operations in effort to ensure cost reasonableness.

Mercy Housing California

Organizational Structure, September 2022

Doug Shoemaker
President

Executive Assistant

Ed Holder
Regional Vice President,
Real Estate Development

Barbara Gualco
Director (SF Bay Area)
Associate Director (1)
Project Manager (3)
Asst. Project Manager (3)
Commercial Developer (1)
Asst. Commercial Developer (1)

Erika Villablanca
Director (SoCal)
Associate Director (1)
Project Manager (3)
Asst. Project Manager (3)

Amy Bayley, RSM
Community Planning

TBH
Director (SAC/Central CA)
Associate Director (1)
Project Manager (3)
Asst. Project Manager (3)
Intern (1)

Ashlei Hurst
Director of Community Life,
Sunnydale

RS Manager (3)
Budget Analyst (1)
RS Coordinators (8)
Community Liaison (1)
Safety and Security (1)

Ramie Dare
Director
Housing and Community Infrastructure
Associate Director (1)
Project Manager (5)
Asst. Project Manager (6)

Analyst, RE Development

Alvin Tuvilla
Regional Vice President,
Resident Services

Samantha Hogg
Director of Senior and Supportive Services
Associate Director (3)
RS Manager (1)
RS Coordinator (42)

Jonathan Wolf
Director
Resident Services LA
RS Manager (2)
RS Coordinator (13)

Erik Kregel
Director
Resident Services SAC
Associate Director (1)
RS Manager (7)
RS Coordinator (33)

Lilli Lew-Hailer
Regional Vice President,
Operations

Office Manager (1)
Admin Assistant (4)
Receptionist (1)
Intern (2)

Rick Sprague
Regional Vice President,
Philanthropy

Ami Pascual Spear
Director (SoCal)

Shashi Jivan
Director, Major Gifts

Grants Manager (2)
Comm. Manager (1)
Events Coordinator (1)
Volunteer Coordinator (1)
Phil. Coordinator (1)